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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

TO THE BOARD OF PATENT APPEALS AND INTERFERENCES

Re Application of : Confirmation No. : 9664
Jonathan SCHULL Examiner : Firmin BACKER
Serial No. : 09/942,232 Group Art Unit : 3621
Filed : August 29, 2001 Attorney Dkt No. : 4861-8 (TWX 0443)
Title : METHOD FOR SELLING, PROTECTING, AND REDISTRIBUTING
DIGITAL GOODS

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APPELLANT'S RESPONSE TO NOTIFICATION OF NON-COMPLIANT APPEAL
BRIEF UNDER 37 C.F.R. §41.37

Sir:

In response to the Notification of Non-Compliant Appeal Brief dated June 16, 2006, (USPTO Paper No. 20060609), Appellant respectfully requests reconsideration of Appellant's Amended Brief in Support of its Appeal of Final Rejection Issued May 12, 2005 in Application No. 09/942,232 (resubmitted herewith) in light of the following remarks.

The Notification of Non-Compliant Appeal Brief was discussed during a personal telephonic interview held on Wednesday, June 28, 2006 between Supervisory Patent Examiner (SPE) Calvin L. Hewitt II and Appellant's representative Kendrick P. Patterson (Reg. No. 45,321). Appellant would like to thank SPE Hewitt for his indulgence and for a constructive interview. During the telephonic interview, Appellant's representative and SPE Hewitt discussed Section V (entitled "Summary of Claimed Subject Matter") from Appellant's Amended Appeal Brief, and the

Examiner's remarks regarding Section V in the Notification of Non-Compliant Appeal Brief. Specifically in the Notification, the Examiner alleges that Section V does not comply with 37 C.F.R. § 41.37(c)(1)(v). However after SPE Hewitt conferred with other USPTO personnel, it was determined that Section V does comply with 37 C.F.R. § 41.37(c)(1)(v). SPE Hewitt, thereafter, requested Appellant's representative to re-submit the Amended Appeal Brief for reconsideration.

Appellant therefore respectfully requests reconsideration and withdrawal of all presently outstanding statements of non-compliance. Appellant believes that a full and complete response has been made to the outstanding Notice of Non-Compliant Appeal Brief and, as such, the attached Amended Appeal Brief is in condition for consideration before the Board of Patent Appeals and Interferences. The Examiner is kindly invited to telephone the undersigned at the number provided, if the Examiner believes, for any reason, that personal communications will expedite consideration of this matter.

Prompt and favorable consideration is respectfully requested. The Commissioner is authorized to charge any deficiency or credit any overpayment to Deposit Account No. 02-4270.

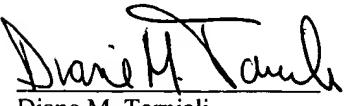
Respectfully submitted,



By:

Kendrick P. Patterson
Reg. No. 45,321

I hereby certify that the correspondence attached herewith is being transmitted by first class mail to Mail Stop Appeal Briefs - Patents, Commissioner for Patents, Box 1450, Alexandria, VA 22313-1450:


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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

TO THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re Application of : Jonathan Schull

Application No.: 09/942,232

Filing Date: August 29, 2001

Group Art Unit: 3621

Title: METHOD FOR SELLING, PROTECTING,
AND REDISTRIBUTING DIGITAL GOODS

Examiner: Backer, Firmin

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Commissioner for Patents

P.O. Box 1450

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**APPELLANT'S AMENDED BRIEF IN SUPPORT OF
ITS APPEAL OF FINAL REJECTION
ISSUED MAY 12, 2005
IN APPLICATION NO. 09/942,232**

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I. REAL PARTY IN INTEREST

The real party in interest in this Appeal is the Assignee of the present application (the “Application”), namely SL Patent Holdings LLC, which is a wholly owned subsidiary of Time Warner Inc.

II. RELATED APPEALS AND INTERFERENCES

Appellant considers the following appeals, interferences, or judicial proceedings to be related to, to directly affect or be directly affected by, or to have a bearing on the Board’s decision in the pending Appeal:

1. Ex parte Lundgren, Appeal No. 2003-2088 (BPAI 2005);
2. State Street Bank & Trust Co. v. Signature Financial Group, Inc., 149 F.3d 1368, 47 U.S.P.Q.2d (BNA) 1596 (Fed. Cir. 1998);
3. In re Toma, 575 F.2d 872, 197 U.S.P.Q. (BNA) 852 (C.C.P.A. 1978);
4. Diamond v. Diehr, 450 U.S. 175 (1981);
5. In re Musgrave, 431 F.2d 882, 167 U.S.P.Q. (BNA) 280 (C.C.P.A. 1970);
6. Musco Corp. v. Qualite, Inc. 41 U.S.P.Q.2d (BNA) 1954 (Fed. Cir. 1997); and
7. AT&T Corp. v. Excel Communications, Inc., 172 F.3d 1352, 50 U.S.P.Q.2d (BNA) 1447 (Fed. Cir. 1999).

A copy of each of the above decisions is included in an Appendix of Related Proceedings attached hereto.

III. STATUS OF CLAIMS

Claims 8-33 are pending in this application. The Examiner has rejected all of these claims. Claims 8-33 are reproduced in an Appendix of Claims attached hereto. Appellant is appealing the rejection of Claims 8-33.

IV. STATUS OF AMENDMENTS

Appellant did not file any amendments subsequent to the Examiner's final rejection of the Application dated May 11, 2005, which was mailed on May 12, 2005.

V. SUMMARY OF CLAIMED SUBJECT MATTER

The following is a summary of the claimed subject matter with respect this Appeal, in accordance with 37 C.F.R. § 41.37(c)(v).

Independent claim 8 recites a method for limiting access to selected features of a multimedia file. The method of claim 8 comprises the steps of: disabling selected features of said multimedia file (*see, e.g.,* page 5, lines 13-26; page 18, line 20 – page 19, line 27; page 24, lines 4-19; Fig. 1), distributing said multimedia file with at least some enabled features (*see, e.g., Id.*) and offering to enable one or more specific disabled features when a user attempts to use at least one of said specific disabled features (*see, e.g., Id.*). The method of claim 8 further comprises receiving a request for a user or user's system, said request identifying an operating context and identifying said one or more disabled features (*see, e.g.,* page 7, line 17 – page 8, line 5; page 10, lines 9 – 27; page 11, line 23 – page 13, line 5; page 18, line 20 – page 19, line 27; page 24, lines 4-19; Fig. 1); and transmitting an authorization to said user or user's system to enable said one or more disabled features, where said authorization is uniquely associated with said operating context (*see, e.g.,* page 8, lines 14-26; page 10, lines 9-27; page 18, line 20 – page 19, line 27; page 24, lines 4-19; Fig. 1); whereby said selected features remain enabled only for said operating context (*see, e.g., Id.*).

Independent claim 13 recites a method for limiting access to selected features of a data object. The method of claim 13 comprises the steps of: compressing or encrypting portions of said data object (*see, e.g.,* page 19, lines 11-14; page 24, lines 4-19; page 25, line 22 – page 26,

line 7; Fig. 1); distributing said data object with at least some operable features (*see, e.g.,* page 5, lines 13-26; page 18, line 20 – page 19, line 27; page 24, lines 4-19; Fig. 1); and offering to decompress or decrypt one or more portions of said data object when a user of one of said operable features attempts to use features of at least one of said compressed or encrypted portions (*see, e.g.,* page 5, lines 13-26; page 18, line 20 – page 19, line 27; page 24, lines 4-19; page 25, line 22 – page 26, line 7; Fig. 1). The method of claim 13 further comprises receiving a request from a user or user’s system, said request identifying an operating context and said one or more compressed or encrypted portions (*see, e.g.,* page 7, line 17 – page 8, line 5; page 10, lines 9 – 27; page 11, line 23 – page 13, line 5; page 18, line 20 – page 19, line 27; page 24, lines 4-19; Fig. 1); and transmitting an authorization to said user or user’s system to decompress or decrypt at least one compressed or encrypted portion, where said authorization is uniquely associated with said unique user (*see, e.g.,* page 8, lines 14-26; page 10, lines 9-27; page 18, line 20 – page 19, line 27; page 24, lines 4-19; page 25, line 22 – page 26, line 7; Fig. 1); whereby said selected portion is decompressed or decrypted only for said identified operating context (*see, e.g., Id.*).

Independent claim 15 recites a method for limiting access to selected data features of copyable encoded information accessed by a user on a user’s system, and for restricting access to said selected data features to a particular operating context. The method of claim 15 comprises the steps of locking said selected data feature, having a feature identifier, with an corresponding key (*see, e.g.,* page 5, lines 13-26; page 18, line 20 – page 19, line 27; page 24, lines 4-19; Fig. 1); receiving an unlock request, from the user or user’s system, said request having a operating context identifier and a feature identifier (*see, e.g.,* page 7, line 17 – page 8, line 5; page 10, lines 9 – 27; page 11, line 23 – page 13, line 5; page 18, line 20 – page 19, line 27; page 22, line 12 –

page 23, line 8; page 24, lines 4-19; page 25, lines 1-14; Figs. 1 and 2); and transforming said key using at least said unique operating context identifier to form an authorization (*see, e.g.,* page 8, lines 14-26; page 10, lines 9-27; page 13, lines 11-19; page 18, line 20 – page 19, line 27; page 24, lines 4-19; Fig. 1). The method of claim 15 further comprises transmitting said authorization to said user or user's system (*see, e.g.,* page 8, lines 14-26; page 10, lines 9-27; page 18, line 20 – page 19, line 27; page 24, lines 4-19; Fig. 1); reverse transforming said authorization using said unique operating context identifier to obtain the key corresponding to said feature identifier (*see, e.g.,* page 18, line 20 – page 19, line 27; page 24, lines 4-19; page 25, lines 15-21; Fig. 1); and using said key to temporarily unlock said selected data feature (*see, e.g.,* page 8, lines 14-26; page 10, lines 9-27; page 18, line 20 – page 19, line 27; page 24, lines 4-19; Fig. 1); whereby said authorization can only be used to access the selected data feature in the presence of said operating context identifier (*see, e.g.,* page 8, lines 14-26; page 10, lines 9-27; page 18, line 20 – page 19, line 27; page 24, lines 4-19; Fig. 1).

Independent claim 31 recites a method for sharing limited access to selected data features of copyable encoded information stored on a server, and for permitting only uniquely identified workstations to unlock said selected data features. The method of claim 31 comprises the steps of locking said selected data feature, having a feature-identifier, with a corresponding key (*see, e.g.,* page 5, lines 13-26; page 18, line 20 – page 19, line 27; page 24, lines 4-19; Fig. 1); receiving an unlock request having a unique workstation-identifier and a feature identifier from the workstation (*see, e.g.,* page 7, line 17 – page 8, line 5; page 10, lines 9 – 27; page 11, line 23 – page 13, line 5; page 18, line 20 – page 19, line 27; page 22, line 12 – page 23, line 8; page 24, lines 4-19; page 25, lines 1-14; Figs. 1 and 2); and transforming said key using at least said unique workstation identifier to form an authorization (*see, e.g.,* page 8, lines 14-26; page 10,

lines 9-27; page 13, lines 11-19; page 18, line 20 – page 19, line 27; page 24, lines 4-19; Fig. 1).

The method of claim 31 further comprises transmitting said authorization to said workstation (*see, e.g.*, page 8, lines 14-26; page 10, lines 9-27; page 18, line 20 – page 19, line 27; page 24, lines 4-19; Fig. 1); reverse transforming said authorization using said unique workstation identifier to obtain the key corresponding to said feature-identifier (*see, e.g.*, page 18, line 20 – page 19, line 27; page 24, lines 4-19; page 25, lines 15-21; Fig. 1); and using said key to unlock said selected data feature (*see, e.g.*, page 8, lines 14-26; page 10, lines 9-27; page 18, line 20 – page 19, line 27; page 24, lines 4-19; Fig. 1); whereby said key can only be used to access the selected data feature from a unique workstation-identifier (*see, e.g.*, page 8, lines 14-26; page 10, lines 9-27; page 18, line 20 – page 19, line 27; page 24, lines 4-19; Fig. 1).

To the extent that any of the claims recite step-plus-function limitations, at least some of the applicable acts from the specification and drawings are referenced above.

VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

The issues for review in this Appeal arise from a Final Rejection of the Application that was mailed on May 12, 2005 (the “Final Rejection”).

In the Final Rejection, the Examiner rejected claims 8 through 33 of the Application under 35 U.S.C. § 101 based on a conclusion that the claimed invention is directed to non-statutory subject matter. The Examiner indicated that the basis for the Section 101 rejection was a “two prong test” of: “(1) whether the invention is within the technological arts; and (2) whether the invention produces a useful, concrete and tangible result.” (*Final Rejection* at 2)

In light of the foregoing, the issues in this Appeal are as follows:

Issue No. 1: Did the Examiner err in applying the above-referenced two-pronged analysis to determine that the methods described in claims 8 through 33 constitutes non-statutory subject matter under 35 U.S.C. § 101?

Issue No. 2: Do the recitations of the following claims qualify as statutory subject matter under 35 U.S.C. §101?

- a. claims 8-12;
- b. claims 13-14;
- c. claims 15-30; and
- d. claims 31-33.

As set forth in detail below, the answer to both these questions is a resounding “yes”, and therefore the Final Rejection should be reversed in all respects.

VII. ARGUMENT

The Board should reverse the Examiner’s rejection because, as discussed further below, it is based on an erroneous and unsupportable reading of the applicable legal standard. Instead of following the Federal Circuit’s explicit and undisputed guidance for determining whether an invention is directed to statutory subject matter under 35 U.S.C. § 101, the Examiner made up his own test and then, in explaining his rationale for applying that test, mixed and matched pieces of additional tests which have been clearly repudiated by the Federal Circuit – in some cases more than 25 years ago. Additionally, it should be noted that the Board has expressly rejected the Examiner’s test as noted below. Because the Examiner’s rejections are expressly based on these extra-judicial tests rather than on the Federal Circuit and the Board’s leading decisions in the area, the Examiner’s rejections must not be allowed to stand. Indeed, anything other than a complete reversal of the Examiner’s rejections will result in the Appellant being unfairly and

unlawfully deprived of its patent rights in connection with the claimed invention, in violation of 35 U.S.C. § 1 *et seq.* Accordingly, the Board should reverse the Examiner’s Final Rejection in all respects.

A. As Acknowledged By The Examiner, The Rejected Claims 8 Through 33 Satisfy The Federal Circuit’s Test For Determining The Existence of Statutory Subject Matter Under 35 U.S.C. § 101

There is no dispute that claims 8 through 33 satisfy the only applicable test enunciated by the Federal Circuit for determining whether a claimed invention is directed to statutory subject matter. As the Examiner himself acknowledged in the Final Rejection (*Final Rejection* at 3) the claims in question comport with the Federal Circuit’s standard for determining the existence of statutory subject matter under 35 U.S.C. § 101 – namely, that the claimed invention “produces a ‘useful, concrete and tangible result.’” *State Street Bank & Trust v. Signature Financial Group*, 149 F.3d 1368, 1373, 47 U.S.P.Q.2d (BNA) 1596, 1602 (Fed. Cir. 1998) (the invention in question produced a “useful, concrete and tangible result” that “renders it statutory subject matter”). In the Final Rejection, the Examiner acknowledged that the recited method produces a useful, concrete and tangible result, but nonetheless issued the Final Rejection based on the stated conclusion that “[t]he recited steps do not apply, involve, use or advance the technological arts since all the steps can be performed in the mind of the user or by use of pencil and paper and no specific technology (e.g. computer, processor) is expressly recited in the body of the claims.” (*Final Rejection* at 2-3) (citing *In re Toma*, 575 F.2d. 872, 197 U.S.P.Q. (BNA) 852 (C.C.P.A. 1978)). Thus, continued the Examiner, “[a]lthough the recited method produces useful, concrete and tangible result[s], since the claimed invention, as a whole, it [sic] not within the technological arts as explained above, [independent] claims 8, 13, 15 and 31 seemed [sic] to be directed to non-statutory subject matter.” (*Final Rejection* at 3).

The Examiner summed up his justification for the final rejection as follows: “Claims 8-33 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter. The basis of this rejection is set forth in a two prong [sic] test of: (1) whether the invention is within the technological arts; and (2) whether the invention produces a useful, concrete and tangible result.” (*Final Rejection* at 2) The grievous error in this rationale lies in the first prong of the Examiner’s test. If, as discussed above, the second prong of the test is sufficient for the Federal Circuit, then what could possibly have been the basis for the Examiner’s imposition of the additional hurdles of the first prong? The Examiner further provides no guidance as to what “technological arts” means nor how to apply such a test to a particular scenario except to say: “The recited steps do not apply, involve, use or advance the technological arts since all the steps can be performed in the mind of the user or by use of pencil and paper and no specific technology (e.g. computer processor) is expressly recited in the body of the claims.” (*Final Rejection* at 2-3) (citation omitted).

The Examiner would have the reader believe that the answer to these puzzling questions lie in *In re Toma*, 575 F.2d 872, 197 U.S.P.Q. (BNA) 852 (C.C.P.A. 1978). However, a reading of *Toma* quickly reveals that the Examiner’s reliance on that case to justify the imposition of the “technological arts” prong of his “test” is entirely off the mark. *Toma* involved an appeal in the United States Court of Customs and Patent Appeals of a decision of the Patent and Trademark Office Board of Appeals rejecting certain claims of the inventor’s application for “Method Using a Programmed Digital Computer System for Translation Between Natural Languages” under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

The *Toma* court noted that the examiner, in his final rejection, appeared to have rejected the claims because a computerized method of translation was not, according to the examiner, “in

the ‘technological arts.’” *Toma*, 575 F.2d at 877, 197 U.S.P.Q. (BNA) at 857. The court went on to observe that “the method for enabling a computer to translate natural languages *is* in the technological arts, i.e., it is a method of operating a machine.” *Id.* (emphasis added)

The court discussed that the examiner had misapplied the term “technological arts” -- the cases that the examiner in *Toma* had cited all involved situations in which there had been “mental steps” rejections. *Toma*, 575 F.2d at 877-78, 197 U.S.P.Q at 857. In this regard, the court stated: “The language which the examiner has quoted was written in answer to “mental steps” rejections and was not intended to create a generalized definition of statutory subject matter. Moreover, it was not intended to form a basis for a new § 101 rejection as the examiner apparently suggests. To the extent that this ‘technological arts’ rejection is before us, independent of the rejection based on Benson, it is also reversed.” *Toma*, 575 F.2d at 878, 197 U.S.P.Q. (BNA) at 857.

Thus, the *Toma* decision has little relevance to, and provides no support for, the Examiner’s “technological arts” requirement imposed here. The limited language in *Toma* referencing “technological arts” clearly indicated that such a requirement was not applicable to the facts in *Toma*. Moreover, there is simply no definition of “technological arts” in *Toma* and certainly no connection to “mind of the user”, “use of pencil and paper” or recitation of specific technology – as is argued by the Examiner. In any event, to the extent that there was any analysis based on “technological arts” over twenty-five (25) years ago in 1978 when *Toma* was decided, such a requirement has been effectively overturned by *State Street*.

It should also be noted that the Board, itself, has recently rejected the “technological arts” test in *Ex parte Lundgren*, Appeal No. 2003-2088 (BPAI 2005), holding:

[o]ur determination is that there is currently no judicially recognized separate “technological arts” test to determine patent eligible subject matter under § 101. We decline to create one.

Appellant respectfully submit that the facts of this Appeal do not merit the Board’s revisiting or reversing its current position. Appellant respectfully request the Board to reverse the Examiner’s decision regarding the above rejections.

B. The Examiner Has Failed To Produce Any Valid Legal Authority For His Conclusion That The Claimed Invention Does Not Constitute Patentable Subject Matter Under 35 U.S.C. §101

The only explanation that the Examiner provides for his contention that the claimed methods to not constitute statutory matter under 35 U.S.C. § 101 is that “the inventive concept in claims 8, 13, 15 and 31 only recites an abstract idea” and that the recited steps “do not involve, use or advance the technological arts since all the steps can be performed in the mind of the user or by use of a pencil and paper and no specific technology (e.g. computer processor) is expressly recited in the body of the claims.” (*Final Rejection* at 2-3) (citing *Toma*) As discussed further below, there is no support in the law or the facts for the Examiner’s foregoing conclusions and his Final Rejection must therefore be overturned.¹

(i) The methods recited in claims 8, 13, 15 and 31 are not directed to an abstract idea

The Examiner admits he “has the burden to establish a prima facie case that the claimed invention as a whole is directed to solely an abstract idea or to manipulation of abstract [ideas] or

¹ The Examiner’s unsupported insinuation that the Appellant is aware of the legal authority for his point but has chosen to ignore it doesn’t relieve the Examiner of his obligation to clearly set out the legal authority for his Section 101 rejection. (“[i]t is clear that the Applicant is aware of the law but is not in compliance with the law, that is claims 8, 13, 15 and 31 deem to be directed to non-statutory subject matter”). (*Final Rejection* at 4) The Examiner’s contention that the supporting law for the Final Rejection is so clear that he need not recite it, or that the Appellant can be made to guess as to the legal authority that the Examiner has in mind, is merely camouflage for the fact that the law does not support the Final Rejection. On these grounds alone, the Final Rejection should be overruled.

does not produce a useful result.” (*Final Rejection* at 3) Yet the Examiner does not even attempt to make any type of showing that the claims in question are directed solely to an abstract idea. Instead, the Examiner baldly states his contention that the “inventive concept” in claims 8, 13, 15 and 31 “only recites an abstract idea.” (*Id.*) In support for this premise, the Examiner offers merely the perfunctory statement that “[t]he recited steps do not apply, involve, use or advance the technological arts since all steps can be performed in the mind of the user or by use of a pencil and paper and no specific technology (e.g. computer, processor) is expressly recited in the body of the claims.” (*Id.* at 2-3) (citing *Toma*).

There is no support, and the Examiner has offered none, for the Examiner’s contention that the claims in question fall into the “abstract idea” exception to 35 U.S.C. § 101, as described in *Diamond v. Diehr*, 450 U.S. 175 (1981). In the first place, the Examiner has expressly acknowledged in the Final Rejection that “the recited method produces a useful, concrete and tangible result.” (*Final Rejection* at 3) The Examiner makes no attempt in the Final Rejection to explain how, in his view, a method could both produce a useful, concrete and tangible result, while at the same time being a mere abstract idea.

When courts discuss the concept of an abstract idea as related to non-patentable subject matter, the following types of phrases are employed: “A principle, in the abstract, is a fundamental truth; an original cause; a motive; these cannot be patented, as no one can claim in either of them an exclusive right.” *Diehr*, 450 U.S. at 185 (citation omitted). Abstract ideas become patentable subject matter when “reduced to some type of practical application, i.e., a useful concrete and tangible result.” *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 149 F.3d 1368, 1373, 47 U.S.P.Q.2d (BNA) 1596, 1600-01 (Fed. Cir. 1998) (quotations omitted). Abstract ideas are “disembodied concepts or truths that are not useful.”

State Street, 149 F.3d at 1373, 47 U.S.P.Q.2d (BNA) at 1601 (quotations omitted). As discussed below, none of pending independent claims 8, 13, 15 or 31 even arguably corresponds to such theoretical principles.

a) **The recitations of independent claim 8 do not merely relate to an abstract idea**

Claim 8 recites a method for limiting access to selected features of a multimedia file. Particular steps or acts are set forth which indicate how this method is to be performed. The utility of such a method is clearly evident and is discussed at length throughout the specification. Dependent claims 9-12 include the above-referenced limitations of claim 8 and similarly do not recite an abstract idea.

b) **The recitations of independent claim 13 do not merely relate to an abstract idea**

Claim 13 recites a method for limiting access to selected features of a data object. Particular steps or acts are set forth which indicate how this method is to be performed. The utility of such a method is clearly evident and is discussed at length throughout the specification. Dependent claim 14 includes the above-referenced limitations of independent claim 13 and similarly does not recite an abstract idea.

c) **The recitations of independent claim 15 do not merely relate to an abstract idea**

Claim 13 recites a method for limiting access to selected data features of copyable encoded information accessed by a user on a user's system, and for restricting access to said selected data features to a particular operating context. Particular steps or acts are set forth which indicate how this method is to be performed. The utility of such a method is clearly evident and is discussed at length throughout the specification. Dependent claims 14-30 include the above-referenced limitations of independent claim 13 and similarly do not recite an abstract idea.

d) **The Recitations of independent claim 31 do not relate to an abstract idea**

Independent claim 31 recites a method for sharing limited access to selected data features of copyable encoded information stored on a server, and for permitting only uniquely identified workstations to unlock said selected data features. Particular steps or acts are set forth which indicate how this method is to be performed. The utility of such a method is clearly evident and is discussed at length throughout the specification. Dependent claims 32-33 include the above-referenced limitations of independent claim 31 and similarly do not recite an abstract idea.

Accordingly, since the Final Rejection was expressly based, at least in part, on the Examiner's erroneously labeling of the claimed invention as an abstract idea, and since the Examiner admits the invention provides a useful, concrete and tangible result which, by definition, means the invention does not relate to merely an abstract idea, the Final Rejection must be overturned.

(ii) **Even if there is a requirement for claims to relate to the technological arts, the pending claims meet such a standard**

As discussed above, the Examiner's so-called "technological arts" test is not relevant to the question of whether claims 8 through 33 are directed to statutory subject matter under 35 U.S.C. § 101. However, assuming for the sake of argument that the applicable test did include some type of "technological arts" requirement as described in the Final Rejection, clearly independent claims 8, 13, 15 and 31, as well as the respective dependent claims associated therewith, would pass such a test.

The Examiner provides no guidance as to what "technological arts" means nor how to apply it in a particular situation except to state: "[t]he recited steps do not apply, involve, use or advance the technological arts since all the steps can be performed in the 1) mind of the user or by use of pencil and paper and 2) no specific technology (e.g. computer, processor) is expressly

recited in the body of the claims.” (*Final Rejection* at 3) (citing *In re Toma*, 575 F.2d 872, 197 U.S.P.Q. (BNA) 852 (C.C.P.A. 1978)) (emphasis and enumeration added). The Examiner appears to set forth a two-part test for “technological arts” yet each part of that test has clearly been repudiated as a requirement by the Federal Circuit.

The recitations of claim elements may be performed in the mind of a user without invalidating that claim as non-statutory subject matter; similarly, simply because a claim element can be performed by pencil and paper in conjunction with a user’s mind does not mean the claim cannot qualify as statutory subject matter. It is simply incorrect to state that claims “are directed to non-statutory processes merely because some or all the steps therein can also be carried out in or with the aid of the human mind or because it may be necessary for one performing the processes to think.” *In re Musgrave*, 431 F.2d 882, 893, 167 U.S.P.Q. (BNA) 280, 289 (C.C.P.A. 1970). See, also, *Musco Corp. v. Qualite, Inc.* 41 U.S.P.Q.2d (BNA) 1954, 1956 (Fed. Cir. 1997) (stating “[t]he existence of mental steps in the claims or specifications of a patent do not, in and of themselves, invalidate the patent”).

Process claims such as those described in the instant application need not recite specific technology to satisfy the requirements of 35 U.S.C. §101 – as is suggested in the Final Rejection. *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 149 F.3d 1368, 1373-74, 47 U.S.P.Q.2d (BNA) 1596, 1602 (Fed. Cir. 1998). One can only surmise that the Examiner’s attempted imposition of such a structural or technical requirement may well stem from the now-defunct *Freeman-Walter-Abele* test. *State Street*, 149 F.3d at 1374, 47 U.S.P.Q.2d (BNA) at 1601. However, this test, in light of recent court rulings, has little or no applicability, which raises the question of whether such test was or was not the basis of the Examiner’s Final Rejection. *Id.*

Without a definition of “technological arts” or any legal authority to consult, Appellant is placed in the unreasonable position of having to conjecture on the Examiner’s position.

Moreover, the only legal authority cited by the Examiner, *Toma*, provides simply the following guidance – “[the recited claim] is in the technological arts, i.e., it is a method of operating a machine.” *In re Toma*, 575 F.2d 872, 878, 197 U.S.P.Q. (BNA) 852, 857 (C.C.P.A. 1978).

a) **The recitations of claim 8 relate to technology**

Independent claim 8 includes "a multimedia file", "disabling selected features of said multimedia file", "receiving a request from a user or user's system, said request identifying an operating context", "transmitting an authorization to said user or user's system to enable said one or more disabled features", etc. Dependent claims 9-12 include the recitations of claim 8.

Whatever “technological arts” means, it certainly includes such recitations.

b) **The recitations of claim 13 relate to technology**

Claim 13 includes "a data object", "compressing or encrypting portions of said data object", "offering to decompress or decrypt one or more portions of said data object", "receiving a request from a user or user's system, said request identifying an operating context", "transmitting an authorization to said user or user's system to decompress or decrypt", etc.

Dependent claim 14 includes the recitations of claim 13. Whatever “technological arts” means, it certainly includes such recitations.

c) **The recitations of claim 15 relate to technology**

Claim 15 includes "limiting access to selected data features of copyable encoded information accessed by a user on a user's system", "locking said selected data feature", ", "transforming said key", "transmitting said authorization", "reverse transforming said

authorization", "said authorization can only be used to access the selected data feature in the presence of said operating context identifier", etc. Dependent claims 16-30 include the recitations of claim 15. Whatever "technological arts" means, it certainly includes such recitations.

d) **The recitations of claim 31 relate to technology**

Claim 31 includes "encoded information stored on a server", "permitting only uniquely identified workstations to unlock said selected data features", "receiving an unlock request having a unique workstation-identifier and a feature identifier from the workstation", "transforming said key", "transmitting said authorization", "reverse transforming said authorization", etc. Dependent claims 32-33 include the recitations of claim 31. Whatever "technological arts" means, it certainly includes such recitations.

Appellant notes that the Examiner does not even attempt to provide reasonably detailed explanations as to why, in his view, *none* of the subject claims (i.e. 8-33), portions of which are recited above, come within the "technological arts" umbrella. The reality is that there are no valid explanations for his conclusion -- if they did exist, the Examiner surely would have mentioned them in the Final Rejection.

C. A Method Claim Need Not Apply, Use Or Advance The Technological Arts As Suggested In The Final Rejection

The Final Rejection is expressly based, at least in part, on the Examiner's conclusion that "for a method claim to pass muster, the recited method must somehow apply, use or advance the technological arts," (*Final Rejection* at 2) (emphasis added). However, as discussed above, aside from erroneously citing to *Toma*, the Examiner does not provide *any* legal authority for this conclusion. In fact, the Examiner could not do so since the courts have been very clear that method claims are not to be held to a standard under 35 U.S.C. § 101 that is

different from the standards applied to any other types of patentable subject matter. *State Street*, F.3d at 1375, 47 U.S.P.Q.2d (BNA) at 1602 (“[s]ince the 1952 Patent Act, business methods have been, and should have been, subject to the same legal requirements for patentability as applied to any other process or method”). Put another way, in the words of the Federal Circuit, “[w]hether stated implicitly or explicitly, we consider the scope of § 101 to be the same regardless of the form – machine or process – in which a particular claim is drafted.” *AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352, 1357-58, 50 U.S.P.Q.2d (BNA) 1447, 1451 (Fed. Cir. 1999). In *Ex parte Lundgren*, the Board referred to both *State Street* and *AT&T* when it expressly rejected the technological test. Appeal No. 2003-2088 (BPAI 2005), holding “[o]ur determination is that there is currently no judicially recognized separate ‘technological arts’ test to determine patent eligible subject matter under § 101.”

In *AT&T*, the relevant patent dealt with facilitating billing techniques for long-distance telephone carriers. The patent disclosed adding a PIC (primary interexchange carrier) indicator into a data field of a standard message record. *AT&T*, 172 F.3d at 1353, 50 U.S.P.Q.2d (BNA) at 1448. A subscriber could be billed differently depending upon whether the subscriber called someone with the same or different long-distance carrier based on the PIC indicator. *AT&T*, 172 F.3d at 1353-54, 50 U.S.P.Q.2d (BNA) at 1448-49. The claim in question recited, in part,

generating a message record for an interexchange call between an originating subscriber and a terminating subscriber, and including, in said message record, a primary interexchange carrier (PIC) indicator having a value which is a function of whether or not the interexchange carrier associated with said terminating subscriber is a predetermined one of said interexchange carriers.

AT&T, 172 F.3d at 1354, 50 U.S.P.Q.2d (BNA) at 1449 (emphasis in original). The Federal Circuit stated that although the determination of the PIC indicator value was derived using a

simple Boolean mathematical formula (i.e. p and q), the claim did not attempt to protect this Boolean principle nor attempt to forestall its use in other applications. *AT&T*, 172 F.3d at 1358, 50 U.S.P.Q.2d (BNA) at 1452. As the PIC indicator represented information about a call recipient's PIC, it was a useful, non-abstract result of the claimed process. *Id.* Thus, since the claim produced a useful, concrete and tangible result and did not preempt a mathematical principle, the claimed process presented statutory subject matter. *Id.* Significantly, once the Federal Circuit in *AT&T* determined that the claimed methodologies produced a useful, concrete and tangible result, it did not then go on to apply the Examiner's "technological arts" test – instead, it declared the claims to embody statutory subject matter under 35 U.S.C. § 101. In the instant Appeal, Appellant asks only that the Board adopt such an approach and recognize that the flaws in the Final Rejection arising from the Examiner's use of his "two-pronged" analysis require that the decision be reversed in all respects.

Just like in *AT&T*, the claimed methods in the instant matter produce a useful, concrete and tangible result and do not preempt a mathematical principle. In independent claim 8 and dependent claims 9 through 12, for example, selected features in a multimedia file are enabled only for an identified operating context. In another example, independent claim 13 and dependent claim 14, a selected portion of a data object is decompressed or decrypted only for an identified operating context. Further, in independent claim 15 and dependent claims 16 through 30, authorization to access a selected data feature can only be used in the presence of an operating context identifier. Finally, independent claim 31 and dependent claims 32 and 33 address a key used to access a selected data feature that can only be used from a unique workstation-identifier. Such claims hardly comprise an abstract idea.

Accordingly, as in *State Street*, and later in *AT&T* and *Ex parte Lundgren*, the very essence of the claimed invention is to produce a useful, concrete and tangible result, and there can be no doubt that the methods described in claims 8 through 33 do so. Certainly, simply because the invention may make use of software and other information technology does not mean that the results produced are any less useful, concrete or tangible, or for that matter, any less worthy of receiving a patent. Nor does the “technological arts” test that the Examiner proposes undercut or detract from the useful, concrete and tangible results that the claimed invention produces. As discussed above, since the production of such results is the only relevant test after the *State Street* decision for determining the existence of statutory subject matter under 35 U.S.C. § 101, and since even the Examiner acknowledges that the claimed invention satisfies that test, there can be no dispute that claims 8 through 33 constitute statutory subject matter under 35 U.S.C. § 101. Therefore, Appellant respectfully requests that the Final Rejection, which disallowed those claims in their entirety, be reversed in all respects.

VIII. CONCLUSION

In view of the foregoing, Appellant respectfully requests that the Board reverse the rejections of claims 8 through 33 as set forth in the Office Action mailed on May 12, 2005, that the Board allow the pending claims since they are in condition for allowance, and that the Board grant Appellant such other and further relief that the Board deems just and proper.

IX. CLAIMS APPENDIX

An Appendix of Claims containing a copy of the claims that are the subject of this Appeal is attached hereto.

X. EVIDENCE APPENDIX

Appellant respectfully submits that no additional evidence is being submitted under 37 C.F.R. § 41.37(c)(ix). Excepted as noted in the Appendix of Related Proceedings (attached hereto), there is no additional evidence to be submitted pursuant to §§ 1.130, 1.131, or 1.132 of 37 C.F.R., nor is there any other evidence entered by the examiner and relied upon by Appellant in this Appeal.

XI. RELATED PROCEEDINGS APPENDIX

An Appendix of Related Proceedings containing a copy of court or Board decisions that are the subject of this Appeal is attached hereto.

Date: March 31, 2006

Respectfully submitted,



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APPENDIX OF CLAIMS

8. A method for limiting access to selected features of a multimedia file, comprising the steps of

- disabling selected features of said multimedia file;
- distributing said multimedia file with at least some enabled features;
- offering to enable one or more specific disabled features when a user attempts to use at least one of said specific disabled features;
- receiving a request from a user or user's system, said request identifying an operating context and identifying said one or more disabled features; and
- transmitting an authorization to said user or user's system to enable said one or more disabled features, where said authorization is uniquely associated with said operating context;

whereby said selected features remain enabled only for said operating context.

9. The method of claim 8 further comprising the step of:

- identifying an operating context and a licensor from information in said request and arranging to send an authorization according to an agreement between said user and said licensor.

10. The method of claim 8 further comprising the steps of:

- providing a user environment in which pre-defined actions by said user are interpreted as a request for access to at least some of said disabled features;
- creating an identifier for said operating context, wherein said identifier is created according to at least one measurable factor of said user's user environment; and

using said operating context identifier to associate said authorization with said user's operating context;

whereby said authorization will not enable said disabled features when said at least one measurable factor has changed beyond a pre-configured limit.

11. The method of claim 8 in which said at least one measurable factor is selected from the set of:

machine-readable user identifier serial number of user processor or product, machine-readable features of the user's system, user's voice pattern, spoken or typed password, processor time-stamp, nearly unique tattoo, telephone number, network address, user's visual appearance, and biological tissue samples

12. The method of claim 8 further comprising the steps of:
ensuring that an authorization received for one or more selected features for said unique user cannot be used for access by another user or on another system; and

permitting use of said at least some enabled features in a different operating context; whereby users can obtain authorization to test or demonstrate said selected features on one system and provide additional copies of the multimedia file to others who must then request their own authorizations.

13. A method for limiting access to selected features of a data object, comprising the steps of:

compressing or encrypting portions of said data object;
distributing said data object with at least some operable features;

offering to decompress or decrypt one or more portions of said data object when a user of one of said operable features attempts to use features of at least one of said compressed or encrypted portions;

receiving a request from a user or user's system, said request identifying an operating context and said one or more compressed or encrypted portions;

transmitting an authorization to said user or user's system to decompress or decrypt at least one compressed or encrypted portion, where said authorization is uniquely associated with said unique user;

whereby said selected portion is decompressed or decrypted only for said identified operating context.

14. The method of claim 13 further comprising the steps of:

providing a user environment in which pre-defined actions by said user are interpreted as a request for access to at least some of said compressed or encrypted features;

creating a unique identifier for identifying said operating context according to at least one measurable factor of said user's user environment; and

using said unique identifier to associate said authorization with said user's user environment;

whereby said authorization will not enable decompression or decryption of said compressed or encrypted portion when said at least one measurable factor has changed beyond a pre-configured limit.

15. A method for limiting access to selected data features of copyable encoded information accessed by a user on a user's system, and for restricting access to said selected data features to a particular operating context, comprising the steps of:

locking said selected data feature, having a feature identifier, with a corresponding key;

receiving an unlock request, from the user or user's system, said request having a operating context identifier and a feature identifier;

transforming said key using at least said unique operating context identifier to form an authorization;

transmitting said authorization to said user or user's system;

reverse transforming said authorization using said unique operating context identifier to obtain the key corresponding to said feature identifier; and

using said key to temporarily unlock said selected data feature;

whereby said authorization can only be used to access the selected data feature in the presence of said operating context identifier.

16. The method of claim 15 in which said operating context identifier is generated according to a pre-determined combination of values selected from the set of: measurable parameters of a user's system, measurable physical information about the user, and information supplied by the user.

17. The method of claim 15 in which said operating context identifier is generated for each unlock request according to the present state of a pre-determined combination of values collected by a user's system.

18. The method of claim 15 in which said feature identifier is generated using unique identification information about said selected data feature in combination with said context identifier.

19. The method of claim 15 in which said transforming step uses encryption.

20. The method of claim 15 further comprising the steps of:

retrieving an authorization that has been previously stored for said selected data feature;

reverse transforming said retrieved authorization to obtain a valid key; and

unlocking said feature with said valid key;

whereby a selected data feature once unlocked remains unlockable in the presence of said previously stored authorization and said operating context under pre-determined conditions.

21. The method of claim 15 further comprising the steps of:

storing at least some of said authorizations received by said user or user's system;

selecting a candidate authorization previously stored for said selected data feature;

validating said selected candidate authorization with a reverse transform using said unique operating context identifier; and

either unlocking said selected data feature, if said selected candidate authorization is successfully validated, or else signaling the user or user's system to obtain a valid authorization.

22. The method of claim 15 wherein:

said transforming step is based upon a prime factorization of an N-digit number using said operating context identifier as a randomization key, where N is chosen to be within the factorization capabilities of a licensing computer but beyond the capabilities of the user or the user's system, and

said reverse transforming step comprises generating the N-digit number in said user's system, and confirming that said N-digit number is the product of the factorization contained in said authorization.

23. The method of claim 15 in which
said transforming step is based upon use of the operating context identifier as the seed for a complex pseudo-random number generator, and said reverse transforming step confirms that the authorization generated in the user's system corresponds to the authorization received, based upon a transform of the operating context identifier and feature identifier.

24. The method of claim 15 further comprising the step of:
storing at least some of said authorizations received by said user or user's system;
determining whether a valid authorization is stored corresponding to a selected data feature desired by said user using said operating context identifier, and
advertising information to said user regarding purchase of a new authorization for said selected data feature when said user's system determines that a corresponding authorization has not been stored or cannot be validated in the present operating context.

25. The method of claim 24 in which said advertising information includes information selected from the set of: description of the selected data feature, advantages of the selected data feature, cost or other requirements for access to the selected data feature, source identification for obtaining an authorization, identification of an owner or licensor of rights in the selected data feature, and method of obtaining a valid authorization for access to said selected data feature.

26. The method of claim 15 further comprising the steps of:

permitting a user or user's system to operate or access at least some unprotected features of said encoded information;

assisting said user in selection of a selected data feature by disclosing information to said user regarding data features for which no valid authorization is present; and

connecting said user's system to a licensing processor for transmission of said unlock request and for reception of said authorization.

27. The method of claim 15 further comprising the steps of:

said user indicating a desire for a selected data feature beyond any features already operable or already unlocked;

informing the user that the feature is locked, where said feature is locked unless a valid authorization has been stored for said user-ID and said authorization is still valid;

offering said user information about possible benefits of obtaining access to said locked feature;

offering to said user to provide said user with access to said feature upon agreement with predetermined conditions; and

forming an unlock request for a user who indicates agreement with said at least some of said predetermined conditions.

28. The method of claim 15 in which said selected data feature is selected from the following abilities: to decompress encoded information, to access a text file, to execute a software or hardware program, to access a further distribution channel, to decrypt digital data, to enable a high-quality output, to enable storage of processing results, to access a digitized multimedia file, to enable predetermined hardware or software features of the user's system, and to access an analog playback process for an audio, video or multimedia recording.

29. The method of claim 15 in which said selected data features are locked by a transform of either encryption or compression, or both, for which a key is required to reverse each transform; and

a password or authorization provides access to said key;

wherein access to each selected data feature requires a password or authorization which is adequately unique to prevent different users or user's systems from sharing passwords.

30. The method of claim 15 in which at least some of said steps of locking, unlocking, transforming and reverse transforming are carried out in firmware in the user's system.

31. A method for sharing limited access to selected data features of copyable encoded information stored on a server, and for permitting only uniquely identified workstations to unlock said selected data features, comprising the steps of:

locking said selected data feature, having a feature-identifier, with a corresponding key; receiving an unlock request having a unique workstation-identifier and a feature identifier from the workstation;

transforming said key using at least said unique workstation identifier to form an authorization;

transmitting said authorization to said workstation;

reverse transforming said authorization using said unique workstation identifier to obtain the key corresponding to said feature-identifier; and

using said key to unlock said selected data feature;

whereby said key can only be used to access the selected data feature from a unique workstation-identifier.

32. The method of claim 31 in which authorizations formed for a given workstation are then stored on the server in workstation-specific locations.

33. The method of claim 31 in which said unique workstation identifiers are constructed such that any workstation identified as being on the same network can use the same authorization for the selected data feature of the encoded information.